103D CONGRESS 2D SESSION

## H. R. 4612

To amend the Internal Revenue Code of 1986 to exempt gain from the sale of a principal residence from tax.

## IN THE HOUSE OF REPRESENTATIVES

June 21, 1994

Mr. Johnston of Florida (for himself, Mrs. Thurman, Mr. Wilson, Mr. Faleomavaega, Mr. Canady, Mr. Royce, and Mr. Lipinski) introduced the following bill; which was referred to the Committee on Ways and Means

## A BILL

To amend the Internal Revenue Code of 1986 to exempt gain from the sale of a principal residence from tax.

- 1 Be it enacted by the Senate and House of Representa-
- 2 tives of the United States of America in Congress assembled,
- 3 SECTION 1. EXCLUSION OF GAIN FROM SALE OF PRIN-
- 4 CIPAL RESIDENCE.
- 5 (a) GENERAL RULE.—The section heading and sub-
- 6 section (a) of section 121 of the Internal Revenue Code
- 7 of 1986 are amended to read as follows:

## "SEC. 121. EXCLUSION OF GAIN FROM SALE OF PRINCIPAL 2 RESIDENCE BY INDIVIDUAL. 3 "(a) GENERAL RULE.—Gross income does not include gain from the sale or exchange of property if, during 4 5 the 5-year period ending on the date of the sale or exchange, such property has been owned and used by the 7 taxpayer as the taxpayer's principal residence for periods aggregating 3 years or more." 8 9 (b) Conforming Amendments.— 10 (1) Section 121 of such Code is amended by striking subsections (b) and (c) and by redesignating 11 12 subsection (d) as subsection (b). (2) Paragraph (1) of section 121(b) of such 13 14 Code (as so redesignated) is amended by striking "age, holding, and use" each place it appears and 15 inserting "holding and use". 16 (3) Paragraph (2) of section 121(b) of such 17 18 Code is amended to read as follows: 19 "(2) Property of deceased spouse.—For 20 purposes of this section, in the case of an unmarried 21 individual whose spouse is deceased on the date of 22 the sale or exchange of property, if the deceased spouse (during the 5-year period ending on the date 23 of the sale or exchange) satisfied the holding and 24 25 use requirements of subsection (a) with respect to

such property, then such individual shall be treated

26

1	as satisfying the holding and use requirements of
2	subsection (a) with respect to such property."
3	(4) Paragraph (3) of section 121(b) of such
4	Code (as so redesignated) is amended by striking
5	"subsection (a)(2)" each place it appears and insert-
6	ing "subsection (a)".
7	(5) Paragraph (9) of section 121(b) of such
8	Code (as so redesignated) is amended by striking
9	"subsection (a)(2)" and inserting "subsection (a)".
10	(6) Sections 1033(i)(3), 1034(l), 1038(e)(1)(A),
11	1250(d)(7)(B), and 6012(c) of such Code are each
12	amended—
13	(A) by striking "one-time", and
14	(B) by striking "who has attained age 55".
15	(c) Clerical Amendments.—The table of sections
16	for part III of subchapter B of chapter 1 of such Code
17	is amended by striking the item relating to section 121
18	and inserting the following:
	"Sec. 121. Exclusion of gain from sale of principal residence by individual."
19	(d) Effective Date.—The amendments made by

 $\bigcirc$ 

20 this section shall apply to sales and exchanges after the

21 date of the enactment of this Act.